



Contract Number: BF-20296678

PRELIMINARY ENGINEERING SERVICES AGREEMENT PROJECT REVIEW

BNSF File No.: BF-20296678
Mile Post 1400.749-1402.19918
Line Segment 36/661
U.S. DOT Number 058725R, 065934R, 058728L, 058819S, 058727E
Kootenai River Subdivision

This Agreement ("**Agreement**") is executed to be effective as of 12/21/2023,
 ("**Effective Date**"), by and between BNSF RAILWAY COMPANY, a Delaware
 corporation ("**BNSF**") and The City of Sandpoint a political subdivision of the State of
 Idaho ("**Agency**").

RECITALS

WHEREAS, BNSF owns and operates a line of railroad in and through the City of Sandpoint, State of Idaho, USA.;

WHEREAS, Agency has stated its intention to proceed initially with a project to Reconstruct Great Northern Road from Baldy Mountain Road to Woodland Drive in Sandpoint, Idaho. The project also includes city utility reconstruction (water and Sewer) stormwater management improvements, and a horizontally separated pedestrian and bicycle trail.

WHEREAS, Agency has requested that BNSF perform certain preliminary engineering review services and other Work (defined below) with respect to its railroad facilities located at or near the Project site to facilitate Agency's evaluation of the feasibility of proceeding with the Project; and

WHEREAS, BNSF is agreeable to performing the Work, subject to the terms and conditions of this Agreement;

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and agreements of the parties contained herein, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:



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1) Scope of Work

As used herein, the term "**Work**" includes all work performed by BNSF, its employees, contractors, consultants, or other agents (collectively, the "**BNSF Parties**") pursuant to this Agreement, including, but not limited to: (a) conducting on-site visits including diagnostic evaluations; (b) performing preliminary engineering services; (c) developing cost estimates for construction of the Project; (d) preparing draft agreements including legal review; and (e) reviewing and/or providing comments on preliminary layouts or other designs, plans, and/or documents in connection with the Project.

2) Payment and Deposit for Work

Agency authorizes BNSF to proceed with the Work relating to the Project. Agency shall pay and reimburse BNSF for all actual costs and expenses that BNSF incurs in performing the Work, including without limitation: (a) labor, supplies, and material; (b) direct and indirect labor and contractor charges including additives; (c) delivery charges; (d) BNSF's additives and overhead, as such are in effect on the date BNSF prepares its final billing; and (e) all applicable taxes due, paid, or payable by BNSF on such products and services, including sales and use taxes, business and occupation taxes, and similar taxes (collectively, "**Actual Costs**"). BNSF's estimated cost for Work on this Project is \$50,000.00 ("**Estimated Cost**"). Any estimate provided by BNSF for the Work shall not be a limitation on the Work to be performed or the costs and expenses incurred, which Agency shall reimburse to BNSF in full.

During its performance of the Work pursuant to this Agreement, BNSF will send Agency progressive invoices detailing the costs of the Work performed to date. Agency must reimburse BNSF for completed Work within thirty (30) days of the date of the invoice for such Work. Upon final completion of the Work, BNSF will send Agency a detailed invoice of final costs. Agency must pay the final invoice within ninety (90) days of the date of the final invoice. BNSF will assess a finance charge of .033% per day (12% per annum) on any unpaid sums or other charges due under this Agreement which are past such thirty (30) or ninety (90) day terms, as applicable. The finance charge continues to accrue daily until the date payment is received by BNSF, not the date payment is made or the date postmarked on the payment. Finance charges will be assessed on delinquent sums and other charges as of the end of the month and will be reduced by amounts in dispute and any unposted payments received by the month's end. Finance charges will be noted on invoices sent to Agency under this section.



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3) Scope and Limitations of Agreement

The parties acknowledge that entering into this Agreement does not of itself obligate either BNSF or Agency to participate in the construction of the Project. If Agency elects to proceed with the Project after the Work is performed, then BNSF and Agency agree to enter into negotiations for appropriate agreements regarding the construction of the Project and other related activities. Nothing in this Agreement — including BNSF's performance of the Work — shall obligate BNSF to enter into any subsequent agreement or otherwise permit the Project *except and subject to* any terms and conditions that BNSF may subsequently approve in its sole discretion.

Notwithstanding anything to the contrary in this Agreement, BNSF's review, approval, and/or other participation in the Project or any element thereof, including the Work performed by the BNSF Parties hereunder, are expressly limited to — and are intended and understood by the parties to be in furtherance of — BNSF's railroad purposes, and are not in furtherance of Agency's purposes in undertaking the Project. All Work performed hereunder is intended for use in evaluating the impact of the Project on BNSF's railroad and the costs to Agency associated therewith. BNSF is providing the Work in consideration of BNSF's subjective standards for its railroad purposes only. Consequently, the Work shall in no way be construed or deemed to be BNSF's recommendation, condition, or direction to Agency, nor shall the Work be construed or deemed to be BNSF's opinion or approval that the plans and specifications or any work intended or completed on the Project (a) is appropriate for any other purpose including highway purposes; (b) is structurally sound; or (c) meets applicable standards, regulations, laws, statutes, local ordinances, and/or building codes. No benefits to Agency or any third party are provided, intended, or implied herein. Agency shall at all times be solely responsible for the adequacy and compliance of all design elements of the Project for highway and other public purposes. **AGENCY SHALL WAIVE ANY CLAIMS AGAINST BNSF FOR — AND SHALL RELEASE BNSF FROM — ANY AND ALL CLAIMS WHICH MAY OR COULD RESULT FROM THE WORK PERFORMED HEREUNDER, AND IF APPLICABLE TO THE FULLEST EXTENT PERMITTED BY LAW, AGENCY SHALL INDEMNIFY BNSF FOR AND HOLD IT HARMLESS FROM AND AGAINST ANY SUCH CLAIMS.**

4) No Right of Entry

Nothing in this Agreement shall be construed as providing Agency or its contractors, consultants, or other agents any right of entry upon property owned or occupied by BNSF. Any preliminary engineering or other work required by Agency in connection with the Project necessitating entry upon BNSF's railroad right-of-way shall only be conducted as



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authorized by a separate written permit obtained by Agency from BNSF for such entry (**"Entry Permit"**).

The Entry Permit will provide that any on-site visits, including diagnostic evaluations, by Agency and its parties required for the Project shall be conducted only from adjoining properties, and Agency shall ensure that no attendees enter or remain on BNSF's right-of-way, except when using an authorized highway-rail crossing designated for such purpose.

Agency or its agents must contact BNSF's Manager of Public Projects, Mary Ann Monaldi at 303-906-6523, or BNSF's permitting agent Jones Lang LaSalle Brokerage, Inc. (**"JLL"**) at <http://bnsf.railpermitting.com/> to obtain the required Entry Permit prior to any entry.

5) Disclaimer

BNSF GIVES NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, QUALITY, MERCHANTABILITY, FITNESS FOR ANY PARTICULAR PURPOSE, OR ANY OTHER MATTER, OF OR FOR THE WORK PERFORMED PURSUANT TO THIS AGREEMENT OR ANY REPORT OR OTHER DELIVERABLE WHICH BNSF MAY FURNISH TO AGENCY PURSUANT TO THIS AGREEMENT. BNSF SHALL IN NO WAY BE RESPONSIBLE FOR AGENCY'S PROPER RELIANCE UPON, INTERPRETATION OF, OR OTHER USE OF THE WORK. BNSF IS NOT A CONTRACTOR, AGENT, PARTNER, OR JOINT VENTURER OF AGENCY BECAUSE OF THIS AGREEMENT OR BECAUSE OF BNSF'S PERFORMANCE OF THE WORK. LIKEWISE, THE BNSF PARTIES WHO MAY ASSIST BNSF IN PERFORMING THE WORK ARE DOING SO FOR BNSF'S BENEFIT ONLY, AND ARE NOT — AND SHALL NOT BE DEEMED TO BE — CONTRACTORS, SUBCONTRACTORS, OR AGENTS OF AGENCY.



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IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the day and year first written above.

City of Sandpoint

By:  _____
DocuSigned by:
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Name: Jennifer Stapleton
City Administrator

BNSF Railway Company

By:  _____
DocuSigned by:
14D9B06E64784B8...

Name: Richard Scott
Assistant Director Public Projects

Accepted and effective this ____ day of 12/21/2023, 20__.